

INSTITUTE OF INTERNATIONAL BANKERS

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ROBERT B. MILLS
CHAIRMAN

LAWRENCE R. UHLICK
EXECUTIVE DIRECTOR AND GENERAL COUNSEL

May 2, 2003

The Honorable William M. Thomas
Chairman
Committee on Ways and Means
U.S. House of Representatives
2208 Rayburn House Office Building
Washington, DC 20515-0521

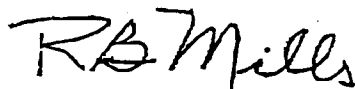
Dear Mr. Chairman:

Thank you for meeting with us yesterday to discuss the changes that you are making in the "earnings stripping" proposal. We fully support your changes because they recognize that the worldwide limitation (whether or not in conjunction with safe harbor ratios) is not workable for financial institutions and that any limitation imposed on the deductibility of interest expense should be based on a net interest concept.

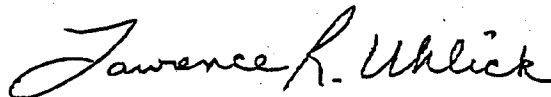
We believe that the changes that you described will enable internationally headquartered financial institutions to continue to make a major contribution to the depth and liquidity of U.S. capital markets.

Based on your description, we support your legislation to reform and simplify the international tax system, and we welcome the opportunity that you extended for us to review the bill and to work with you and your staff as the process develops.

Very truly yours,



Robert B. Mills
Chairman



Lawrence R. Uhlick
Executive Director and
General Counsel

cc: John Kelliher
Bob Winters
Greg Nickerson

The Institute's mission is to help resolve the many special legislative, regulatory and tax issues confronting internationally headquartered financial institutions that engage in banking, securities and/or insurance activities in the United States.
